

January 13, 2004

Jim Smith
Legislative Council
600 East Boulevard Avenue
Bismarck, ND 58505

Dear Mr. Smith:

This letter constitutes the North Dakota Department of Human Services report on the Children's Health Insurance Program. North Dakota Century Code, Chapter 50-29-02.5, requires the Department to report annually to the Legislative Council and describe enrollment statistics and costs associated with the plan.

We estimate that approximately 3,200 children were enrolled in Healthy Steps (Phase II) at some time during the 12-months ended September 30, 2003. A total of 2,306 children were enrolled in Healthy Steps during the month of January 2004. Attachment 1 provides a breakdown of the total by county, region, and race for the month of January 2004. Attachment 2 contains a chart showing enrollment amounts at the end of each quarter for the previous two years.

Changes in enrollment figures are due to children reaching 19 years of age, children obtaining other health care coverage, children leaving North Dakota, or children no longer residing in the home. In addition, at the time of redetermination of eligibility some children become eligible for Medicaid, some children are no longer eligible for Healthy Steps due to excess income, and some families choose not to reapply for services.

Phase I of the Children's Health Insurance Program was implemented in October 1998. The modest expansion of the Medicaid Program provided coverage to 18-year-old children who live in families with adjusted income at or below 100% of the poverty level. This phase was eliminated as of September 30, 2002 because this group must be covered through the regular Medicaid program using the standard federal match rate.

Phase III of the Children's Health Insurance Program was implemented in January 2002 and consists of those children who were previously ineligible for Medicaid because of excess assets. These children would have been eligible for Healthy Steps prior to January 2002. We estimate that approximately 1,800 children were enrolled in Phase III at some time during the 12-months ended September 30, 2003. The total amount of expenditures for Phase III for the federal fiscal year ended September 30, 2003 totaled \$3,016,734 of which \$668,205 were general funds.

For the federal fiscal year ending September 30, 2003, the Department expended a total of \$3,455,539 for premium payments to Noridan Mutual Insurance Company, of which \$765,403 were general funds. In addition, a total of \$79,677 was claimed for administrative expenses of which about \$17,648 were general funds. Attachment 3 shows the costs associated with each phase of the Children's Health Insurance Program.

In the past, we provided you with the unduplicated number of children enrolled during the year by program. However, we have been unable to retrieve accurate information from the antiquated MMIS system with which we operate. If we are able to obtain accurate unduplicated count numbers, we will forward them to you. Please call David Skalsky at 328-2324, if you have any questions.

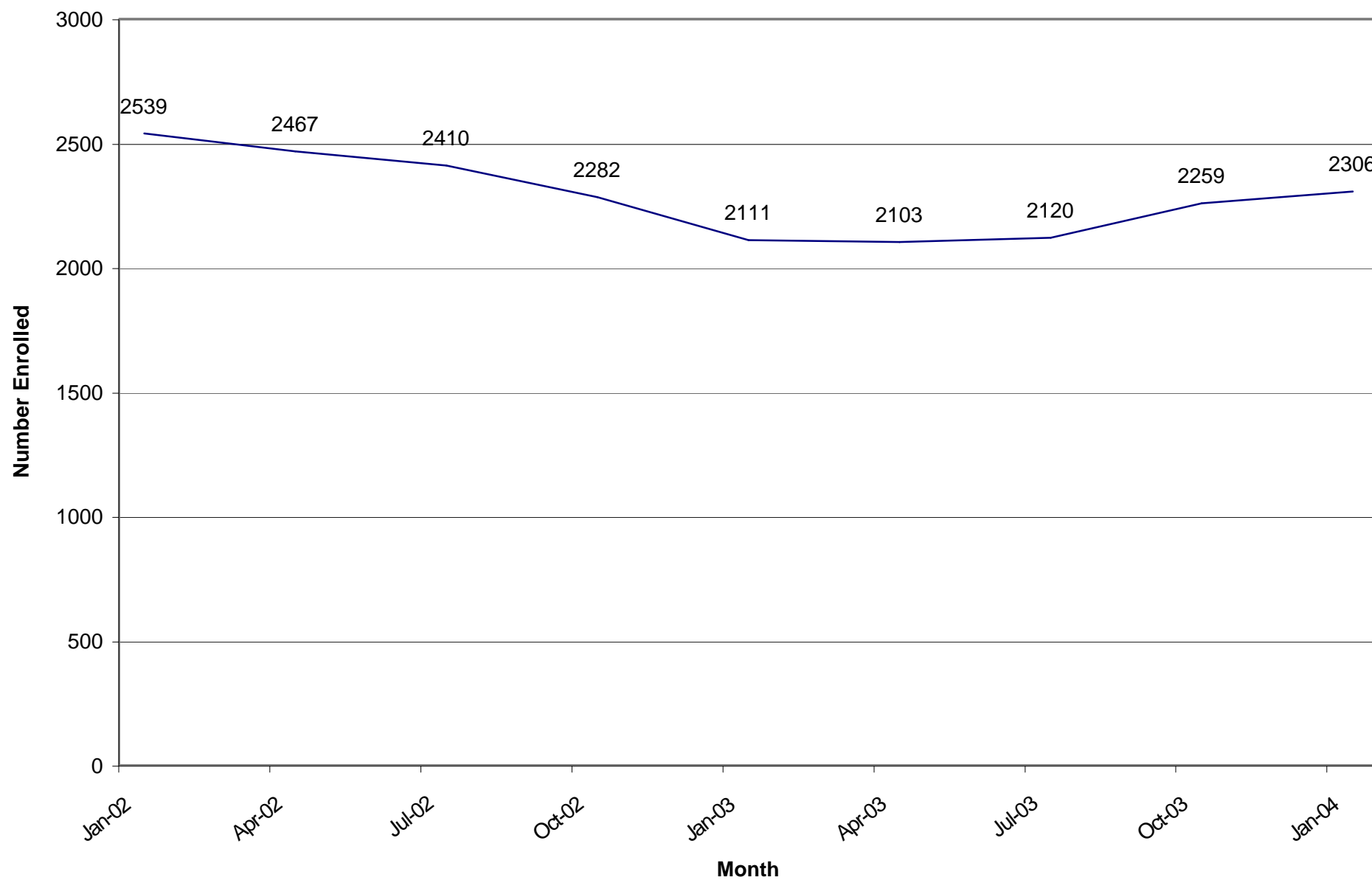
Sincerely,

David J. Zentner
Director, Medical Services

Healthy Steps Individual Eligible for January 2004
Source: SB261010, SB261020 & SB261030 Files

NUMBER	COUNT	COUNT	COUNT	RACE					
				WHITE	AI/AN	BLACK	ASIAN	HAWAIIAN / PACIFIC ISLANDER	HISPANIC / LATINO
1 Adams	8	33	30	3	0	0	0	0	0
2 Barnes	6	38	38	0	0	0	0	0	0
3 Benson	3	49	12	37	0	0	0	0	0
4 Billings	8	13	11	2	0	0	0	0	0
5 Bottineau	2	22	21	1	0	0	0	0	0
6 Bowman	8	26	26	0	0	0	0	0	0
7 Burke	2	5	5	0	0	0	0	0	0
8 Burleigh	7	189	176	13	1	1	1	1	0
9 Cass	5	230	216	3	9	5	0	0	7
10 Cavalier	3	17	15	2	0	0	0	0	0
11 Dickey	6	17	17	0	0	0	0	0	0
12 Divide	1	10	8	2	0	0	0	0	0
13 Dunn	8	31	28	3	0	1	0	0	0
14 Eddy	3	21	18	4	0	0	0	0	0
15 Emmons	7	62	62	0	0	0	0	0	0
16 Foster	6	9	9	0	0	0	0	0	0
17 Golden Valley	8	10	10	0	0	0	0	0	0
18 Grand Forks	4	62	56	8	0	0	0	0	4
19 Grant	7	30	30	0	0	0	0	0	0
20 Griggs	6	7	6	1	0	0	0	0	0
21 Hettinger	8	17	17	0	0	0	0	0	0
22 Kidder	7	51	51	0	0	0	0	0	0
23 LaMoure	6	35	35	0	0	0	0	0	0
24 Logan	6	30	30	0	0	0	0	0	0
25 McHenry	2	52	52	0	0	0	0	0	0
26 McIntosh	6	24	24	0	0	0	0	0	0
27 McKenzie	1	68	49	19	0	0	0	0	0
28 McLean	7	52	38	14	0	0	0	0	0
29 Mercer	7	24	24	0	0	0	0	0	0
30 Morton	7	122	115	7	0	0	0	0	0
31 Mountrail	2	52	24	29	2	0	0	0	4
32 Nelson	4	11	11	0	0	0	0	0	0
33 Oliver	7	12	12	0	0	0	0	0	0
34 Pembina	4	52	51	1	0	0	0	0	3
35 Pierce	2	46	46	0	0	0	0	0	0
36 Ramsey	3	51	43	8	1	0	0	0	0
37 Ransom	5	4	4	0	0	0	0	0	0
38 Renville	2	6	6	0	0	0	0	0	0
39 Richland	5	32	28	2	0	2	0	0	0
40 Rolette	3	68	27	41	0	0	0	0	0
41 Sargent	5	18	18	0	0	0	0	0	0
42 Sheridan	7	10	10	0	0	0	0	0	0
43 Sioux	7	12	6	6	0	0	0	0	0
44 Slope	8	25	25	0	0	0	0	0	0
45 Stark	8	127	125	2	0	0	0	0	0
46 Steele	5	10	10	0	0	0	0	0	0
47 Stutsman	6	102	102	0	0	0	0	0	0
48 Towner	3	28	28	0	0	0	0	0	0
49 Traill	5	10	10	0	0	0	0	0	1
50 Walsh	4	35	35	0	0	0	0	0	2
51 Ward	2	102	96	6	2	0	0	0	2
52 Wells	6	28	28	0	0	0	0	0	2
53 Williams	1	109	94	22	0	0	0	0	0
		2,306	2,068	236	15	9	1	25	

REGION TOTALS								
REGION	% of Total	INDIVIDUAL COUNT	WHITE	AI/AN	BLACK	ASIAN	HAWAIIAN / PACIFIC ISLANDER	HISPANIC / LATINO
Region 1	8.11%	187	151	43	-	-	-	-
Region 2	12.36%	285	250	36	4	-	-	6
Region 3	10.15%	234	143	92	1	-	-	-
Region 4	6.94%	160	153	9	-	-	-	9
Region 5	13.18%	304	286	5	9	7	-	8
Region 6	12.58%	290	289	1	-	-	-	2
Region 7	24.46%	564	524	40	1	1	1	-
Region 8	12.23%	282	272	10	-	1	-	-
Total	100.00%	2,306	2,068	236	15	9	1	25

Healthy Steps Enrollment By Month

ATTACHMENT 3

PROGRAM COSTS												
Fiscal Year Ended	Medicaid Expansion			Premiums - Healthy Steps			Administration			Total	Total	Total
	Federal	General	Total	Federal	General	Total	Federal	General	Total	Federal	General	Combined
9/30/1999	74,324	19,799	94,123	1,550	412	1,962	-	-	-	75,874	20,211	96,085
9/30/2000	94,871	24,782	119,653	1,567,750	409,484	1,977,234	120,830	31,561	152,391	1,783,451	465,827	2,249,278
9/30/2001	85,292	22,688	107,980	2,327,461	619,064	2,946,525	66,649	17,727	84,376	2,479,402	659,479	3,138,881
9/30/2002	762,752	203,863	966,615	2,978,399	796,026	3,774,425	84,013	22,455	106,468	3,825,164	1,022,344	4,847,508
9/30/2003	2,348,529	668,205	3,016,734	2,690,136	765,403	3,455,539	62,029	17,648	79,677	5,100,694	1,451,256	6,551,950
	\$3,365,768	\$ 939,337	\$ 4,305,105	\$ 9,565,296	\$ 2,590,389	\$12,155,685	\$ 333,521	\$ 89,391	\$ 422,912	\$13,264,585	\$3,619,117	\$ 16,883,702